



**Billing Code: 5001-06**

**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

**(Transmittal No. 16-23)**

**36(b)(1) Arms Sales Notification**

**AGENCY:** Department of Defense, Defense Security Cooperation Agency.

**ACTION:** Notice.

**SUMMARY:** The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

**FOR FURTHER INFORMATION CONTACT:** Heather N. Harwell, DSCA/LMO, (703) (703) 697-9217.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 16-23 with attached Policy Justification and Sensitivity of Technology.

Dated: April 8, 2016.

Aaron Siegel,  
Alternate OSD Federal Register Liaison Officer,  
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY  
201 12TH STREET SOUTH, STE 203  
ARLINGTON, VA 22202-5408

The Honorable Paul D. Ryan  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

APR 04 2016

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 16-23, concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance to the Government of Australia for defense articles and services estimated to cost \$386 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,

J. W. Rixey  
Vice Admiral, USN  
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology



Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
of the Arms Export Control Act, as amended

(i) Prospective Purchaser: Government of Australia

(ii) Total Estimated Value:

Major Defense Equipment\* \$172 million

Other \$214 million

TOTAL \$386 million

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Major Defense Equipment (MDE):

Up to 2,950 GBU-39/B Small Diameter Bomb I (SDB I)

Up to 50 Guided Test Vehicles (GTV) with GBU-39 (T-1)/B (Inert Fuze)

Non-MDE:

This request also includes the following Non-MDE: containers, weapons system support equipment, support and test equipment, site survey, transportation, repair and return warranties, spare and repair parts, publications and technical data, maintenance, personnel training, and training equipment, U.S. Government and contractor representative engineering, logistics, and technical support services, and other related elements of logistics support.

(iv) Military Department: Air Force (YAF)

(v) Prior Related Cases, if any: None

(vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None

(vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Annex attached.

(viii) Date Report Delivered to Congress: 04 April 2016

\*as defined in Section 47(6) of the Arms Export Control Act.

## POLICY JUSTIFICATION

### Australia – GBU-39 (Small Diameter Bomb Increment I):

The Government of Australia has requested a possible sale of:

#### Major Defense Equipment (MDE):

Up to 2,950 GBU-39/B Small Diameter Bomb I (SDB I)

Up to 50 Guided Test Vehicles (GTV) with GBU-39 (T-1)/B (Inert Fuze)

This request also includes the following Non-MDE: containers, weapons system support equipment, support and test equipment, site survey, transportation, repair and return warranties, spare and repair parts, publications and technical data, maintenance, personnel training, and training equipment, U.S. Government and contractor representative engineering, logistics, and technical support services, and other related elements of logistics support.

The total estimated value of MDE is \$172 million. The total overall estimated value is \$386 million.

Australia is one of our most important allies in the Western Pacific. The strategic location of this political and economic power contributes significantly to ensuring peace and economic stability in the region. This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a major contributor to political stability, security, and economic development in the Pacific region and globally.

The sale of SDB I supports and complements the on-going sale of the F-35 to the Royal Australian Air Force (RAAF). This capability will strengthen combined operations and increase interoperability between the U.S. Air Force and the RAAF. Australia will have no difficulty absorbing this equipment into its armed forces.

The proposed sale of this equipment will not alter the basic military balance in the region.

The principal contractor for production is Boeing in St. Louis, Missouri. The principal contractor for integration is unknown and will be determined during contract negotiations. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of any additional U.S. or contractor representatives to Australia.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
of the Arms Export Control Act

Annex  
Item No. vii

(vii) Sensitivity of Technology:

1. Sensitive and/or classified (up to SECRET) elements of the proposed acquisition include hardware, accessories, components, and associated software: GBU-39/B Small Diameter Bomb Increment I (SDB I). Additional sensitive areas include operating manuals and maintenance technical orders containing performance information, operating and test procedures, and other information related to the support operations and repair. The hardware, software, and data identified are classified to protect vulnerabilities, design and performance parameters, and other similar critical information.

2. The GBU-39/B Small Diameter Bomb Increment I (SDB I) is a 250-pound class weapon designed as a small, all-weather, autonomous, conventional, air-to-ground, precision glide weapon able to strike fixed and stationary re-locatable targets from standoff range. The SDB I weapon system consists of the weapons, the BRU-61/A (4-place pneumatic carriage system), shipping and handling containers for a single weapon and the BRU-61/A either empty or loaded, and a weapon planning module. It has integrated diamond-back type wings that deploy after releases, which increases the glide time and therefore maximum range. The SDB I Anti-Jam Global Positioning System aided Inertial Navigation System (AJGPS/INS) provides guidance to the coordinates of a stationary target. The payload/warhead is a very effective multipurpose penetrating and blast fragmentation warhead coupled with a cockpit selectable electronic fuze. Its size and accuracy allow for an effective munition with less collateral damage. A proximity sensor provides height of burst capability.

3. A determination has been made that the recipient country can provide substantially the same degree of protection for the sensitive technology associated with this system as the U.S. Government. This sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification.

4. All defense articles and services listed in this transmittal have been authorized for release and export to the Government of Australia.

[FR Doc. 2016-08585 Filed: 4/13/2016 8:45 am; Publication Date: 4/14/2016]